was not argued, that section 19 of the Ordinance may only be applied to the payment of compensation to the workman himself and not, in the case of his death, to his dependants. I am of the opinion that it would be doing violence to the intentions of the legislature so to construe the section. It is beyond belief that the legislature deliberately excluded dependants from the relief comtemplated by the section. I hold that section 19 applies to this appeal. I now turn to the consideration of the amount of compensation awarded. The widow of the deceased is a young woman of twenty-two years, she was not, at the time that she made her claim, following any occupation and she has three sons aged five years, three years and one year. Hers is a case where a substantial measure of compensation is demanded. In cases such as this an arbitrator is vested with powers of discretion. It would only be right for an appellate Court to interfere where there had been some error in principle applied in assessing the compensation. This young woman and her children had every reason to expect a good many years of support by the deceased in the future. I have no doubt that the learned arbitrator had these, and other matters, in mind when he gave his award. I am unable to say that he erred in his discretion.

The appeal is dismissed.

Appeal dismissed.

Solicitors for the appellant: *Shearn, Delamore & Co.*

TAN WEE MENG v. REGINA

[A. Cr. J. (Whyatt C.J.) October 26, 1955]

[Singapore — Magistrate's Appeal No. 93 of 1955]

Penal Code, ss. 30 and 420 — Cheating by dishonestly inducing the making of a valuable security — Meaning of "valuable security" — Whether a shipping guarantee is a valuable security.

The question raised in this appeal was whether a shipping guarantee is a "valuable security" or is a document capable of being converted into a valuable security within the meaning of ss. 30 and 420 of the Penal Code. Shipping guarantees are issued by banks in Singapore to enable consignees to obtain delivery of cargo from vessels arriving in Singapore without production of the relevant bill of lading. The appellant had been convicted under s. 420 of the Penal Code in this case as the learned District Judge found that he had obtained the shipping guarantees by cheating.

Held: (1) a shipping guarantee, at the time it is issued, does not create a legal right and consequently is not a valuable security as defined in the Penal Code; (2) a shipping guarantee is not a document capable of being converted into a valuable security; (3) therefore the charges brought against the appellant under s. 420 of the Penal Code must fail.

Case referred to:—

(1) *Skibsaktieskapet Thor v. Tyrer* (1929) 35 Ll.L.R. 163.

MAGISTRATE'S APPEAL.

M. B. Brash for the appellant.

S. E. Teh (Crown Counsel) for the respondent.

Whyatt C.J.: — This is an appeal against conviction on three charges of cheating by dishonestly inducing the making of a valuable security contrary to section 420 of the Penal Code. The main ground of appeal is that the documents which the learned District Judge found had been obtained by cheating were not in law valuable securities and consequently no offence against section 420 had been proved. This point was not raised at the trial and, therefore, no mention of it appears in the judgment of the learned District Judge but the appellant gave notice to the Crown of his intention to raise it for the first time on appeal and as the Crown raised no objection to this course, the matter was argued before me at the hearing of this appeal.

The documents in question in this case are described in commercial language as shipping guarantees and are issued by banks in Singapore to enable consignees to obtain delivery of cargo from vessels arriving in Singapore without production of the relevant bill of lading. In the present case the shipping guarantees were made out on a standard printed form known as the British Liner Committee Standard Form. The Form is addressed to the shipping company or its agents and is in two parts; the first part, which is signed by the consignee, states that in consideration of the shipping company delivering certain specified cargo to the consignee without production of the relevant bill of lading, the consignee agrees to indemnify the shipping company against the consequences of so doing, and the second part, signed by the bank, states simply that the bank joins in the consignee's indemnity. After the necessary particulars have been inserted in the printed form and the consignee and bank have signed it, the practice is for the consignee to take the completed document to the shipping company and request them to make delivery without waiting for production of the bill of lading. The shipping company are not obliged to comply with the consignee's request. They could, if they wished, refuse to deliver the cargo pending production of the bill of lading, remembering the *dictum* of Mr. Justice Wright, (as he then was) in *Skibsaktieskapet Thor v. Tyrer*[1], "It is perfectly clear law that a shipowner who delivers without production of the bill of lading does so at his peril." The document at that stage is merely a written offer made jointly by the consignee and the bank to the shipping company to indemnify them against loss arising in certain circumstances and the shipping company may accept the offer or not, as they think fit, by making

or refusing to make delivery of the cargo. No doubt it is usual for a shipping company to act on a shipping guarantee when the name of a reputable bank appears upon it, and so in practice, the possession of a shipping guarantee comes to be regarded as the equivalent of a bill of lading since it enables the consignee to obtain delivery of his goods in the same way as if he had actual possession of the bill of lading.

From a practical commercial point of view, therefore, a shipping guarantee issued by a reputable bank is a valuable document and the business community doubtless regard it as such, but the point I have to determine in this appeal is whether it is a valuable security within the meaning of that term as defined in the Penal Code. This depends upon the proper construction of section 30 of the Penal Code, the relevant provisions of which read as follows: "The words 'valuable security' denote a document ..... which is, or purports to be, a document whereby any legal right is created ....." In my view this means that the document must of itself create or at least purport to create, a legal right and consequently if it is necessary to have recourse to matters extraneous to the document itself in order to create a legal right, the document does not come within the scope of the definition. A bill of exchange or similar negotiable instrument is an illustration of a document which of itself creates legal rights. Likewise, a bill of lading, though not in the strictest sense a negotiable instrument, is by mercantile custom a document of title and as such it is a document which by itself creates a legal right within the meaning of section 30. But a shipping guarantee, as I have already pointed out, is, at the time of its execution, no more than a written offer by the consignee and the bank to the shipping company. It does not of itself create a legal right in the holder and indeed, it could, like any other offer, be revoked by the offerers prior to its acceptance by the offeree. It follows, therefore, in my judgment, that a shipping guarantee, at the time it is issued, does not create a legal right and consequently is not a valuable security as defined in the Penal Code.

It remains to consider whether it is a document capable of being converted into a valuable security since such a document would fall within the provisions of section 420 of the Penal Code no less than a document which is actually a valuable security at the time it is made. It is, of course, true that when a shipping company delivers goods to a consignee presenting a shipping guarantee, the company accepts by its conduct the written offer embodied in the guarantee and a contractual relationship then arises between the signatories to the shipping guarantee on the one hand and the shipping company on the other which creates legal rights and liabilities in the parties to the contract. But the legal rights and liabilities which thus come into existence at the moment of acceptance flow from the consensus of the parties and not from any newly-acquired vigour in the shipping guarantee. That document remains unchanged and the only new circumstance is the act of the shipping company accepting the offer and creating a binding contract. The position might be otherwise if something were done to the document itself, such as for example, attesting a signature in order to complete it and give it a legal force which it lacked previously, but that is not the case here. These shipping guarantees were not, when they were issued, valuable securities nor were they, in my judgment, documents capable of being converted into valuable securities in the sense which I have described. It follows, therefore, that the charges brought against the appellant under section 420 fail.

Counsel for the appellant also relied upon certain other grounds of appeal based upon objections to the wording of the charges and arising out of the deletion from the charges of the name of one of the signatories to the guarantee at the end of the prosecution case; but in view of the conclusion I have reached on the main ground of appeal, it is not necessary for me to deal with these further grounds in my judgment.

The appeal is allowed and I order that the convictions be quashed.

Appeal allowed.

Solicitors for the appellant: *Allen & Gledhill.*

WEE JOO SIONG v. REGINA

[A. Cr. J. (Whyatt C.J.) November 1, 1955]

[Singapore — Magistrate's Appeal No. 120 of 1955]

Municipal Ordinance (Cap. 133), s. 211(1) — Charge of storing timber without a licence — "Storage" — Meaning of.

In this case the appellant was convicted under s. 211(1)(m) of the Municipal Ordinance for storing timber without a permit. The evidence showed that the appellant carried on a joinery business at 99 Kampong Java Road and that when the City Council Inspector visited his premises he found about 4 tons of timber on the premises. The appellant in his evidence stated that his practice was to wait until he obtained a contract before purchasing timber and then having obtained the contract, he bought the necessary timber to enable him to fulfil it. He further stated in evidence that it took about a week to turn the timber into the finished article and that the timber found on his premises on the Inspector's visit were for the manufacture of furniture and window frames under contracts with the P.W.D. and the B.O.D.

Held: (1) where materials are brought on to a manufacturing premises as in this case, for the purpose of enabling the manufacturer to meet his contract orders,